

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 003557

61
ORIGIN STR-04

INFO OCT-01 ARA-06 EUR-12 EA-07 IO-11 ISO-00 EB-07 SP-02

AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 OMB-01 CEA-01

L-03 FRB-03 TAR-01 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 OIC-02 SIL-01 /104 R

DRAFTED BY STR:WOLFF:COMMERCE:ASCHER

APPROVED BY WOLFF/STR

STATE:BBISHOP

----- 008509

P 072039Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY ROME PRIORITY

AMEMBASSY MADRID PRIORITY

AMEMBASSY BRASILIA PRIORITY

AMEMBASSY TAIPEI PRIORITY

AMEMBASSY SEOUL PRIORITY

INFO AMEMBASSY TOKYO PRIORITY

USDEL MTN GENEVA PRIORITY

USMISSION EC BRUSSELS PRIORITY

AMCONSUL FLORENCE PRIORITY

LIMITED OFFICIAL USE STATE 003557

E.O. 11652:N/A

TAGS: ETRD

SUBJECT: ITC FOOTWEAR CASE

1. SUMMARY. CONSULTATIONS WERE CONCLUDED IN NOVEMBER WITH
KEY FOOTWEAR SUPPLYING COUNTRIES TO EXPLAIN NATURE OF U.S.
INTERNATIONAL TRADE COMMISSION FOOTWEAR ESCAPE CLAUSE CASE
AND THE POTENTIAL IMPACT THAT PRESIDENTIAL ACTION IN THIS
CASE COULD HAVE ON TRADE OF ADDRESSEE COUNTRIES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 003557

USITC COMPLETED EXTENSIVE HEARINGS IN CONNECTION WITH THE

ESCAPE CLAUSE INVESTIGATION IN DECEMBER, WITH LENGTHY PRESENTATIONS BEING MADE BY THE DOMESTIC PRODUCERS, IMPORTING INTERESTS, AND REPRESENTATIVES OF EXPORTING COUNTRIES OR INDUSTRIES. POSTS ARE REQUESTED TO OBTAIN ADDITIONAL INFORMATION DESCRIBED BELOW. END SUMMARY.

2. DISCUSSIONS HAVE BEEN HELD WITH GOVERNMENT OFFICIALS IN TAIPEI, SEOUL, TOKYO, AND ROME, AS WELL AS WITH BRAZILIAN AND SPANISH OFFICIALS VISTING WASHINGTON (DORNELLES; AND BASSOLS AND QUINTANA). FURTHER DISCUSSIONS WERE ALSO HELD WITH TAIWANESE OFFICIALS Y.T. WANG AND T.W. HU IN WASHINGTON FOLLOWING CONSULTATION TEAM VISIT TO TAIPEI. THESE DISCUSSIONS PROVIDED AN OPPORTUNITY FOR INFORMING EXPORTING COUNTRIES OF THE NATURE OF THE USITC FOOTWEAR CASE, AND THE RANGE OF OPTIONS OPEN TO THE PRESIDENT IF AN

AFFIRMATIVE DECISION OF IMPORT RELATED INJURY IS FOUND BY THE COMMISSION. IN EACH CASE, THOSE CONSULTED INDICATED AN OPENNESS TO HAVING FURTHER DISCUSSIONS ON THIS SUBJECT. RECENT ATTENTION HAS FOCUSED ON THE ITC HEARINGS WHICH OPENED DECEMBER 2 IN WASHINGTON. THE ITC DETERMINATION IS DUE TO BE RECEIVED BY THE PRESIDENT NOT LATER THAN FEBRUARY 20, AND MAY BE READY A WEEK OR TWO IN ADVANCE OF THAT DATE.

3. AT THE ITC HEARINGS, THE DOMESTIC INDUSTRY SHOWED GRAPHICALLY THE STEEP DECLINE IN DOMESTIC PRODUCTION, THE DECLINE IN NUMBER OF DOMESTIC PLANTS, THE GENERALLY STEADY INCREASE IN LEVEL OF IMPORTS, AND OTHER INDICATIONS OF INJURY. THE DOMESTIC PRODUCERS ATTRIBUTED THIS PRIMARILY TO WAGE RATE DIFFERENTIALS. REPRESENTATIVES OF EXPORTING COUNTRIES ATTRIBUTED THE INCREASING SHARE OF IMPORTS OF THE DOMESTIC MARKET, CURRENTLY 43 PERCENT, TO STYLE, GREATER AVAILABILITY OF IMPORTED SHOES, AND COMPARATIVE ADVANTAGE. IMPORTERS CLAIM THAT IMPORTS WERE NOT DISRUPTIVE AND THAT THE RELIEF REQUESTED BY THE INDUSTRY,

WHICH WAS TO RETURN TO AN IMPORT PENETRATION OF 21.5 PERCENT THAT EXISTED IN 1968, WOULD LEAD TO DISLOCATIONS OF THE DOMESTIC MARKET. CONSUMER INTERESTS TESTIFIED THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 003557

THE RELIEF REQUESTED BY THE DOMESTIC INDUSTRY WOULD CAUSE SHARP INCREASES IN THE PRICE OF DOMESTIC FOOTWEAR.

4. ADDRESSEE POSTS ARE REQUESTED TO OBTAIN HOST GOVERNMENT PROJECTIONS OF 1976-77 EXPORTS TO THE UNITED STATES ANTICIPATED IN THE ABSENCE OF RESTRAINTS, AND OFFICIAL HOST GOVERNMENT EXPORT DATA FOR ALL NONRUBBER FOOTWEAR FOR RECENT YEARS (IF AVAILABLE, BACK TO THE YEAR 1968).

INFORMATION DESIRED BY JANUARY 23, TO ALLOW FOR INTER-
AGENCY CONSIDERATION. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, TRADE AGREEMENTS, INVESTIGATIONS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE003557
Document Source: CORE
Document Unique ID: 00
Drafter: WOLFF:COMMERCE:ASCHER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760005-0749
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760178/aaaacrvw.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by izenbei0>; APPROVED <15 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITC FOOTWEAR CASE
TAGS: ETRD, ITC
To: ROME MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006